

## PROJECT HISTORY

Contact: João Fonseca ([joaofonseca@ipsasb.org](mailto:joaofonseca@ipsasb.org))

The IPSASB reviewed the responses to Exposure Draft 59, *Amendments to IPSAS 25, Employee Benefits* and the draft final pronouncement, IPSAS 39, *Employee Benefits*.

*Issue 1: Review of Responses to SMC #1—Do you agree with the proposals in the Exposure Draft for revision of IPSAS 25? If not, please indicate what proposed amendments you do not agree with and provide reasons.*

The majority of respondents supported ED 59's proposals to revise IPSAS 25. However, some respondents partially supported IPSASB's approach to ED 59 and provided suggested amendments to IPSASB's literature that were within the scope of the project or were outside of the scope of the project.

The IPSASB decided not to proceed with further amendments to IPSAS 25 because this is a limited scope project to address IAS 19 related amendments.

*Issue 2: Review of Responses to SMC #2— IPSAS 25 currently includes a section on Composite Social Security Programs (paragraphs 47-49). The IPSASB is considering deleting this section because the IPSASB is not aware that it has been applied in any jurisdiction. If you do not agree that this section should be deleted, please provide a reason for your response along with any proposed revisions.*

No respondent to ED 59 identified a jurisdiction where entities applied these requirements. As the majority of respondents supported the deletion of the section on Composite Social Security Programs and the IPSASB did not identify a new and compelling reason to retain the section, the IPSASB decided not to include it in IPSAS 39.

The IPSASB also decided to include the reasons for the removal of the section on Composite Social Security Programs in the Basis for Conclusions of the final pronouncement

### *Approval of IPSAS 39, Employee Benefits*

The IPSASB agreed with staff's recommendation to issue a new IPSAS 39, *Employee Benefits* rather than a revised IPSAS 25 as a new standard is more understandable for preparers than an extensively amended IPSAS 25.

The IPSASB approved the final pronouncement IPSAS 39, *Employee Benefits*, including the Basis for Conclusions, on June 24, 2016. Seventeen members voted in favor. No members voted against or abstained.

The Technical Director provided his assessment that there had been no substantial change to the exposed document such that re-exposure is necessary. No member contested this assessment. The IPSASB agreed an effective date of January 1, 2018 for IPSAS 39, *Employee Benefits*. Early application will be encouraged.

### *Publication*

The final pronouncement of IPSAS 39, *Employee Benefits* will be published in July 2016, subject to the approval of the Public Interest Committee